



MC-994-2026-116

January 28, 2026

David Lebeter
President and Chief Executive Officer
Hydro One Networks Inc.
483 Bay St Tower, 8th Floor
Toronto ON M5G 1P5

Dear Mr. Lebeter,

As you know, electricity demand in northern Ontario is projected to grow rapidly over the next decade due to economic development from mining for critical minerals, alongside increasing needs from the expansion of housing and electrification initiatives. Ontario's recent Integrated Energy Plan, *Energy for Generations: Ontario's Integrated Plan to Power the Strongest Economy in the G7¹* (released on June 12, 2025) sets out the Government's commitment to alleviate bottlenecks in Ontario's electricity transmission system so power could be delivered where and when it is needed, including taking actions to support the development of the Greenstone Transmission Line, with a targeted in-service date of 2032. Additionally, the Government signed a bilateral Shared Prosperity Agreement with Aroland First Nation, dated January 28, 2025, in which the Government committed to bringing forward a proposal to designate a preferred transmitter to undertake development work and seek all necessary approvals for the Greenstone Transmission Line and declare the project a Government priority, and which Aroland First Nation subsequently identified Hydro One Networks Inc.

I am writing to inform you that under the authority of section 96.1(1) of the *Ontario Energy Board Act, 1998*, the Lieutenant Governor in Council has made an order declaring the construction, expansion or reinforcement of the following transmission line in northern Ontario as a priority project for Government:

1. The Greenstone Transmission Line: a new single-circuit 230-kilovolt transmission line, designed to support a second circuit, that will run from existing 230-kilovolt infrastructure (the East-West Tie) near Nipigon Bay to a new 230-kilovolt station that connects with the existing 115-kilovolt circuit near Longlac Transformer Station, and extending in or near to Aroland First Nation, terminating at a new Switching Station and associated station facilities.

Furthermore, under the authority of section 28.6.1 of the *Ontario Energy Board Act, 1998*, I have, with the approval of the Lieutenant Governor in Council, directed the Ontario Energy Board (OEB) to amend the conditions of Hydro One Networks Inc.'s (Hydro One) licence to require it to develop and seek all necessary approvals for the Greenstone Transmission Line.

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¹ [Energy for Generations](#)

These actions, taken together, should focus and streamline approval processes at the OEB and provide regulatory clarity to Hydro One to initiate development work and advance Indigenous participation on this project. These Orders-in-Council and the accompanying Directive are now effective, and copies thereof are attached to this letter.

It is my expectation that Hydro One move forward expeditiously to develop and seek approvals for this project, to advance rights-based consultation and, if applicable, finalize equity partnerships or other economic participation arrangements with potentially impacted Indigenous communities.

The Crown has a constitutional duty to consult and, where appropriate, accommodate Indigenous communities when the Crown contemplates conduct that might adversely impact established or credibly asserted Aboriginal or treaty rights. The Crown is responsible for fulfilling the substantive aspects of consultation, which includes retaining oversight over the consultation process regarding this transmission line. It is the Ministry of Energy and Mines' intention to delegate the procedural aspects of consultation relating to the transmission line in question to Hydro One on behalf of the Crown. Detailed information on the Ministry's expectations of Hydro One in this regard will be provided through a forthcoming letter of delegation in relation to the Class Environmental Assessment for Transmission Facilities.

Many Indigenous communities have provided initial input on this transmission project through early, rights-based consultation and engagement undertaken by the Ministry of Energy and Mines on its proposal to seek approval of the attached instruments. Potentially impacted Indigenous communities have identified early rights-based concerns and interests associated with this proposed transmission development. Early involvement in the Class Environmental Assessment for Transmission Facilities, especially in relation to the incorporation of Indigenous knowledge and land stewardship values and informing the design and identification of routing options for greenfield lines, is of particular interest to Indigenous communities to ensure any potential impacts to Aboriginal and/or treaty rights are considered from the outset of project development. Many communities have also highlighted the need for sufficient, flexible, and ongoing capacity funding to support their meaningful participation in the consultation processes for this project.

The Ministry of Energy and Mines will share specific concerns raised by communities in relation to the project, alongside its consultation delegation letter to Hydro One. The Ministry expects that these concerns will be considered by Hydro One in its consultation planning and discussions relating to this transmission line. It will be important to demonstrate that community feedback is heard and considered thoughtfully, as part of Ontario's overarching commitment toward reconciliation. Ensuring that any identified impacts to rights are mitigated and accommodated, as appropriate, will be critical to the timely and successful development of this critical transmission line.

Ontario remains committed to building and supporting partnerships with Indigenous communities through the development of critical transmission projects, which present a significant opportunity to advance economic reconciliation. Partnerships including equity, and other forms of economic benefits, were identified as an expectation by many potentially impacted Indigenous communities during early consultation and engagement led by the Ministry of Energy and Mines. I am pleased that Hydro One shares a similar commitment to Indigenous partnerships through its First Nation Equity Partnership Model for large, new transmission projects, and other benefit agreements.

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It is also important that Hydro One works closely with municipalities and other stakeholders, including landowners, as it moves forward to develop this project. Their input should be thoughtfully considered as Hydro One determines the appropriate routing for this project and other ways the project can minimize impacts to residents, local ecosystems, and businesses.

Furthermore, while the designation of Hydro One as the transmitter for this project and declaration of the project as a priority supports our government's objectives for the timely development of transmission infrastructure, it is critical that this project is delivered cost-effectively for ratepayers. To this end, I ask that Hydro One provide comprehensive and transparent reporting to the OEB in accordance with the OEB's requirements, including with respect to the budget, timing, and project risks as set out under the attached Directive to the OEB.

Lastly, I would ask Hydro One to continue using competitive procurements for this project and encourage that you buy Ontarian and Canadian, when feasible. As Hydro One is aware, the Ontario government has taken several actions including implementing the *Buy Ontario Act, 2025*, to strengthen Ontario's economic security. Our priority will always be to provide affordable and reliable energy to the people of Ontario. To accomplish this goal, I continue to encourage the energy sector to seek Ontario or Canadian suppliers, where there are reasonable opportunities to do so and where ratepayers are not unduly impacted. We must make investments in the future of the energy sector and our economy.

I trust that this letter provides clarity regarding my expectations as Hydro One contributes to the expansion of Ontario's transmission system. The Ministry of Energy and Mines will work closely with Hydro One, potentially impacted Indigenous communities, stakeholders and other relevant ministries to help ensure these expectations are met as this critical project moves forward.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S. Lecce', with a stylized flourish at the end.

Stephen Lecce
Minister

- c: Susanna Laaksonen-Craig, Deputy Minister, Ministry of Energy and Mines
Karen Moore, Assistant Deputy Minister, Ministry of Energy and Mines
Lisa Pearson, Executive Vice President, Corporate Affairs, Hydro One
Geoff Owen, Chair of the Board of Directors, Ontario Energy Board
Carolyn Calwell, Chief Executive Officer, Ontario Energy Board
Lesley Gallinger, President and Chief Executive Officer, Independent Electricity System Operator